

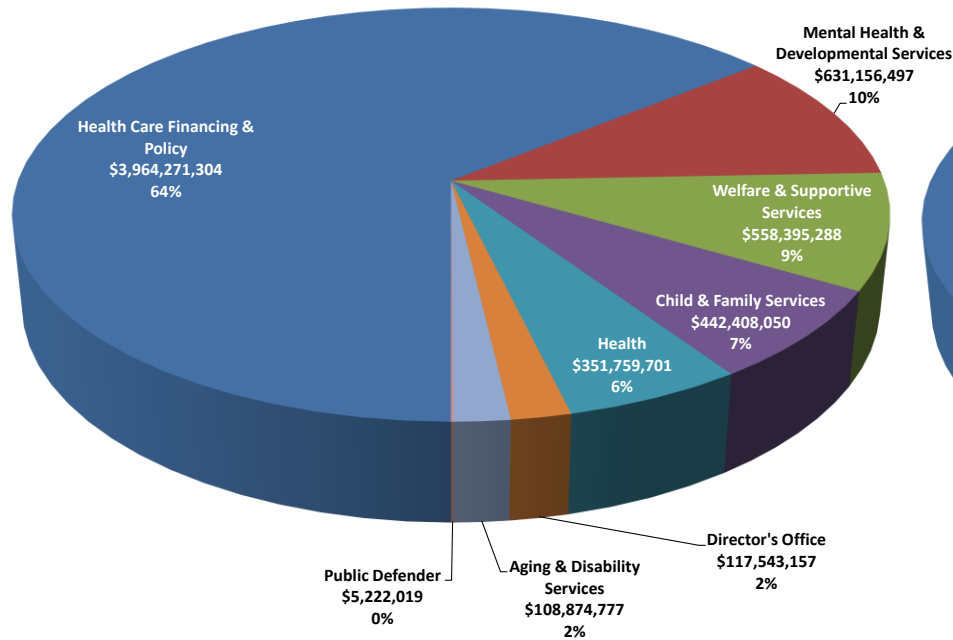


# Health Care Reform and Medicaid Expansion

Mike Willden, Director  
Nevada Department of Health and Human Services  
October 15, 2013

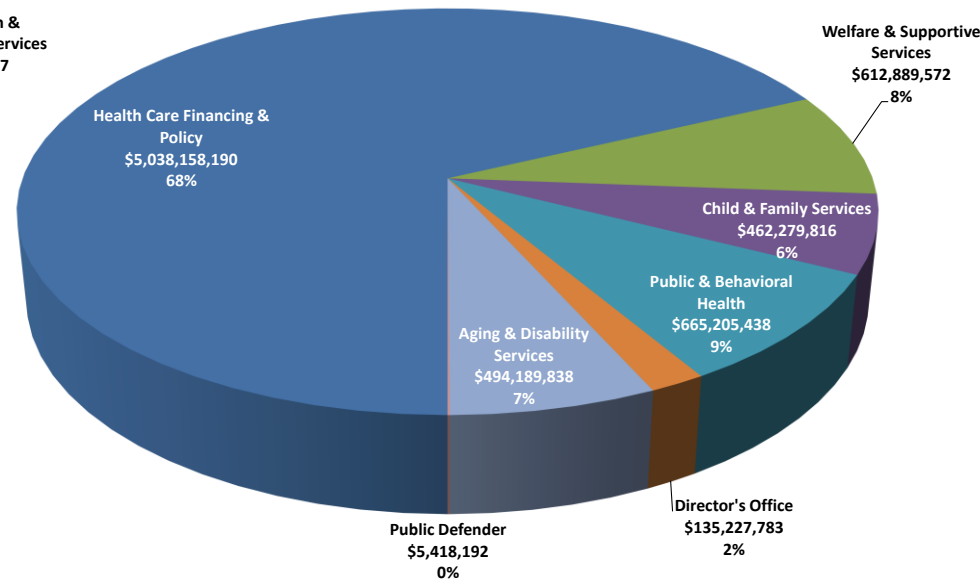
# Revenues by Division, 2012-13 and 2014-15 Biennia

Legislative Approved 2012-13 Biennium



**Total \$6,179,603,793**

Legislative Approved 2014-15 Biennium



**Total \$7,413,368,829**

# Blended FMAP for State Fiscal Years 2003-2020

State Fiscal Year	FMAP	Enhanced (CHIP) FMAP	New Eligibles FMAP
<b>FY03</b>	51.79%	66.25%	
	52.53%	66.77%	
<b>FY04</b>	54.30%	68.01%	
	55.34%	68.74%	
<b>FY05</b>	55.66%	68.96%	
<b>FY06</b>	55.05%	68.53%	
<b>FY07</b>	54.14%	67.90%	
<b>FY08</b>	52.96%	67.07%	
<b>FY09</b>	50.66%	65.46%	
	61.11%	72.78%	
<b>FY10</b>	50.12%	65.08%	
	63.93%	74.75%	
<b>FY11</b>	51.25%	65.87%	
	57.77%	70.44%	
<b>FY12</b>	55.05%	68.54%	
<b>FY13</b>	58.86%	71.20%	
<b>FY14</b>	60.94%	72.66%	100.00%
<b>FY15</b>	61.93%	73.35%	100.00%
<b>FY16</b>	62.46%	73.72%	100.00%
<b>FY17</b>	62.61%	73.83%	97.50%
<b>FY18</b>	62.42%	73.70%	94.50%
<b>FY19</b>	61.94%	73.36%	93.50%
<b>FY20</b>	61.32%	72.92%	91.50%

# Expenditures 2008-2012 by Expenditure Type

## Expenditure Type

	FY08	FY09	FY10	FY11	FY12
Inpatient Hospital	\$294,523,202.03	\$301,710,445.39	\$290,536,214.27	\$313,220,767.92	\$340,946,648.14
Outpatient Hospital	\$46,320,754.42	\$32,847,606.23	\$38,271,328.06	\$41,880,170.43	\$40,354,955.99
Physician	\$94,759,459.69	\$92,352,275.82	\$101,711,650.98	\$102,458,079.59	\$101,616,674.83
Pharmacy	\$81,444,395.40	\$93,689,080.46	\$102,881,072.00	\$109,852,458.54	\$125,401,091.00
Long Term Care	\$165,682,562.60	\$176,968,154.20	\$179,767,863.04	\$186,190,054.68	\$193,518,403.60
Mental Health/ Developmental	\$66,028,604.79	\$111,476,598.68	\$107,753,300.25	\$82,985,593.55	\$104,398,998.42
HMOs	\$208,947,730.26	\$235,871,819.75	\$295,722,879.50	\$355,755,946.07	\$374,996,657.69
Community Based Services	\$80,218,744.15	\$77,925,105.39	\$78,041,327.49	\$84,368,962.15	\$91,460,329.79
Dental	\$16,084,203.45	\$20,129,018.88	\$24,429,015.96	\$27,907,710.15	\$32,812,095.87
Waiver Services	\$87,653,853.95	\$80,249,821.06	\$115,569,957.41	\$110,232,523.11	\$105,261,624.34
Other Professional Services	\$14,010,014.45	\$15,535,807.97	\$17,405,231.54	\$18,053,848.48	\$20,599,125.84
All Other Services	\$81,004,132.81	\$78,120,899.61	\$99,080,604.76	\$113,608,541.33	\$104,937,894.28
Rebates and Recoveries	(\$39,202,796.98)	(\$36,402,440.58)	(\$46,740,488.11)	(\$63,935,502.22)	(\$82,383,599.77)
<b>State Totals*</b>	<b>\$1,197,474,861.02</b>	<b>\$1,280,474,192.66</b>	<b>\$1,404,429,957.15</b>	<b>\$1,482,579,153.78</b>	<b>\$1,553,911,900.02</b>

# Where We Began

- UNINSURED

- 22.4% of Nevadans (605,000 people)
- 2<sup>nd</sup> worst in Nation; Texas is worst (23.8%)
- National Average is 16%
- Of the Nevadans uninsured:
  - 23% below poverty
  - 29% poverty to 200%
  - 19% 200% to 300%
  - 7% 300% to 400%
  - All but 10% are Medicaid or SSHIX eligible

# Where We Began (cont'd)

- CHILDREN

- Worst in Nation with 19.3% uninsured rate
- Texas next at 16.6% uninsured
- Nationwide 9.7% children uninsured

- MEDICAID COVERAGE

- One of lowest per capita coverage rates in Nation
- Nevada 11% vs. 20% Nation average
- No presumptive eligibility or Medically Needy coverage—restrictive eligibility
- 21.9% of children in Nevada are covered by Medicaid (5<sup>th</sup> worst in Nation)
  - National average is 34.9%
- Poor coverage of Mental Health program recipients

## Uninsured

FY 2013 22.2%  
FY 2014 12.5%  
FY 2015 10.4%

## Medicaid and Check Up

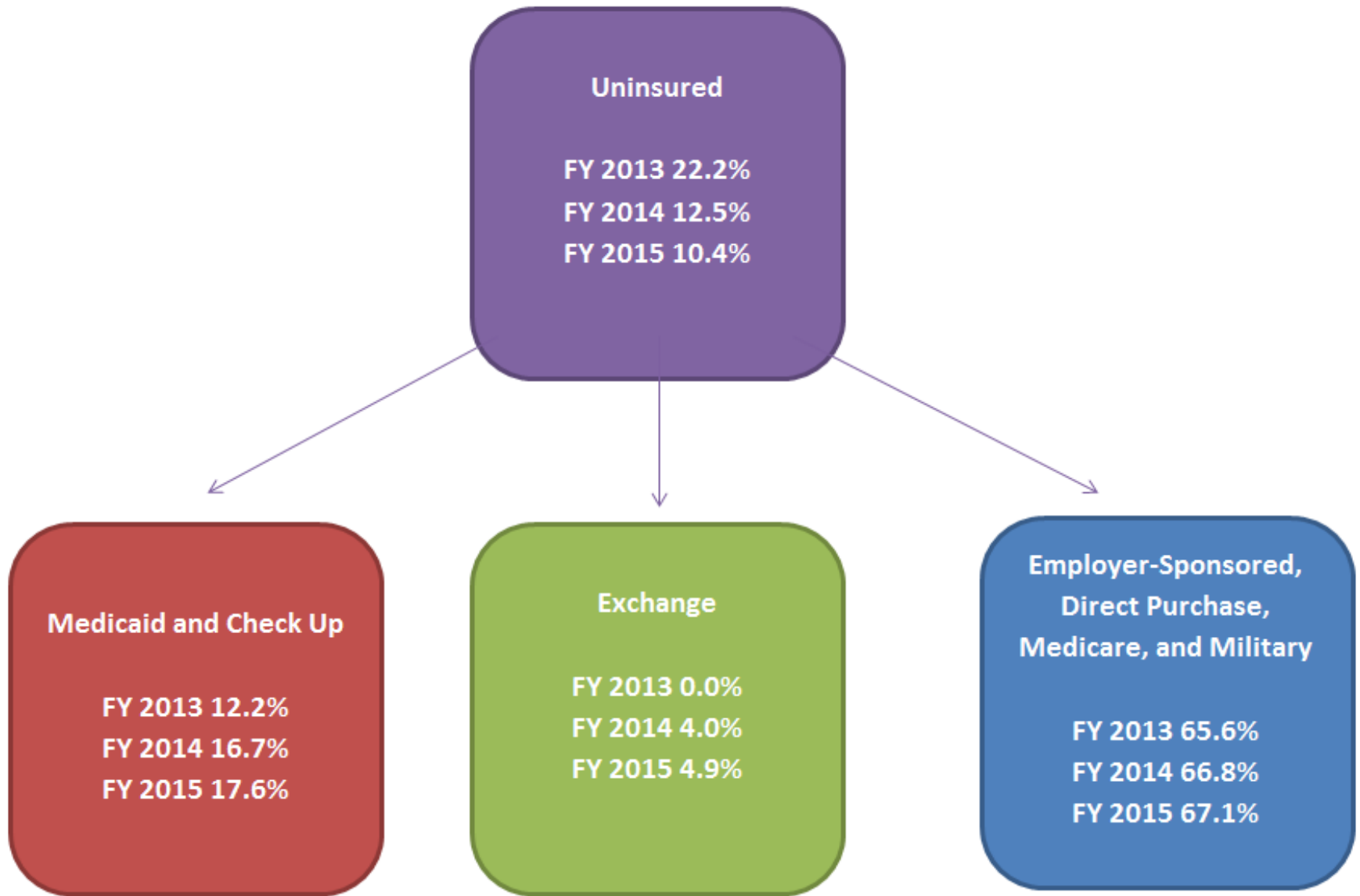
FY 2013 12.2%  
FY 2014 16.7%  
FY 2015 17.6%

## Exchange

FY 2013 0.0%  
FY 2014 4.0%  
FY 2015 4.9%

## Employer-Sponsored, Direct Purchase, Medicare, and Military

FY 2013 65.6%  
FY 2014 66.8%  
FY 2015 67.1%



## Estimated and Projected Insurance Coverage in Nevada

	Employer-Sponsored, Direct Purchase, Medicare, and Military	Medicaid and CheckUp	Exchange	Uninsured
FY02	1,618,264	181,302		406,456
FY03	1,701,745	191,400		403,421
FY04	1,769,851	202,673		438,244
FY05	1,901,746	200,592		416,531
FY06	1,935,021	199,705		488,324
FY07	2,060,283	199,621		458,433
FY08	2,030,990	212,994		494,749
FY09	1,918,546	234,810		557,849
FY10	1,853,572	289,670		581,392
FY11	1,788,000	318,099		615,695
FY12	1,799,875	330,358		619,984
FY13	1,826,436	339,808		617,140
FY14	1,881,332	471,589	113,405	351,785
FY15	1,916,442	502,966	138,585	296,872

	Employer-Sponsored, Direct Purchase, Medicare, and Military	Medicaid and CheckUp	Exchange	Uninsured
FY02	73.4%	8.2%		18.4%
FY03	74.1%	8.3%		17.6%
FY04	73.4%	8.4%		18.2%
FY05	75.5%	8.0%		16.5%
FY06	73.8%	7.6%		18.6%
FY07	75.8%	7.3%		16.9%
FY08	74.2%	7.8%		18.1%
FY09	70.8%	8.7%		20.6%
FY10	68.0%	10.6%		21.3%
FY11	65.7%	11.7%		22.6%
FY12	65.4%	12.0%		22.5%
FY13	65.6%	12.2%		22.2%
FY14	66.8%	16.7%	4.0%	12.5%
FY15	67.1%	17.6%	4.9%	10.4%

**Note:** The Current Population Survey (CPS) estimates the number of uninsured individuals and the share of the population that is uninsured. Because the CPS total state population estimates do not perfectly correspond with the official population estimates produced by the Nevada State Demographer, the CPS share of population that is uninsured is applied to the State Demographer's population estimate to derive the number of uninsured Nevadans. For example, the CPS estimates that 607,000 Nevadans (22.6% of the population) were uninsured in 2011. Applying this percentage to the State Demographer's population estimate yields 615,695 uninsured Nevadans.



# Access to Health Care Coverage

- The ACA expands access to health insurance through improvements in Medicaid, the establishment of Affordable Insurance Exchanges, and coordination between Medicaid, the Children's Health Insurance Program (CHIP), and Exchanges.

# Medical Assistance Programs

- Family Medical and new Adult Coverage
- Nevada Check Up
- Emergency Medical Coverage
- Breast & Cervical Cancer Program
- Medicaid for the Aged, Blind, and Disabled (MAABD)
- Medicare Beneficiaries

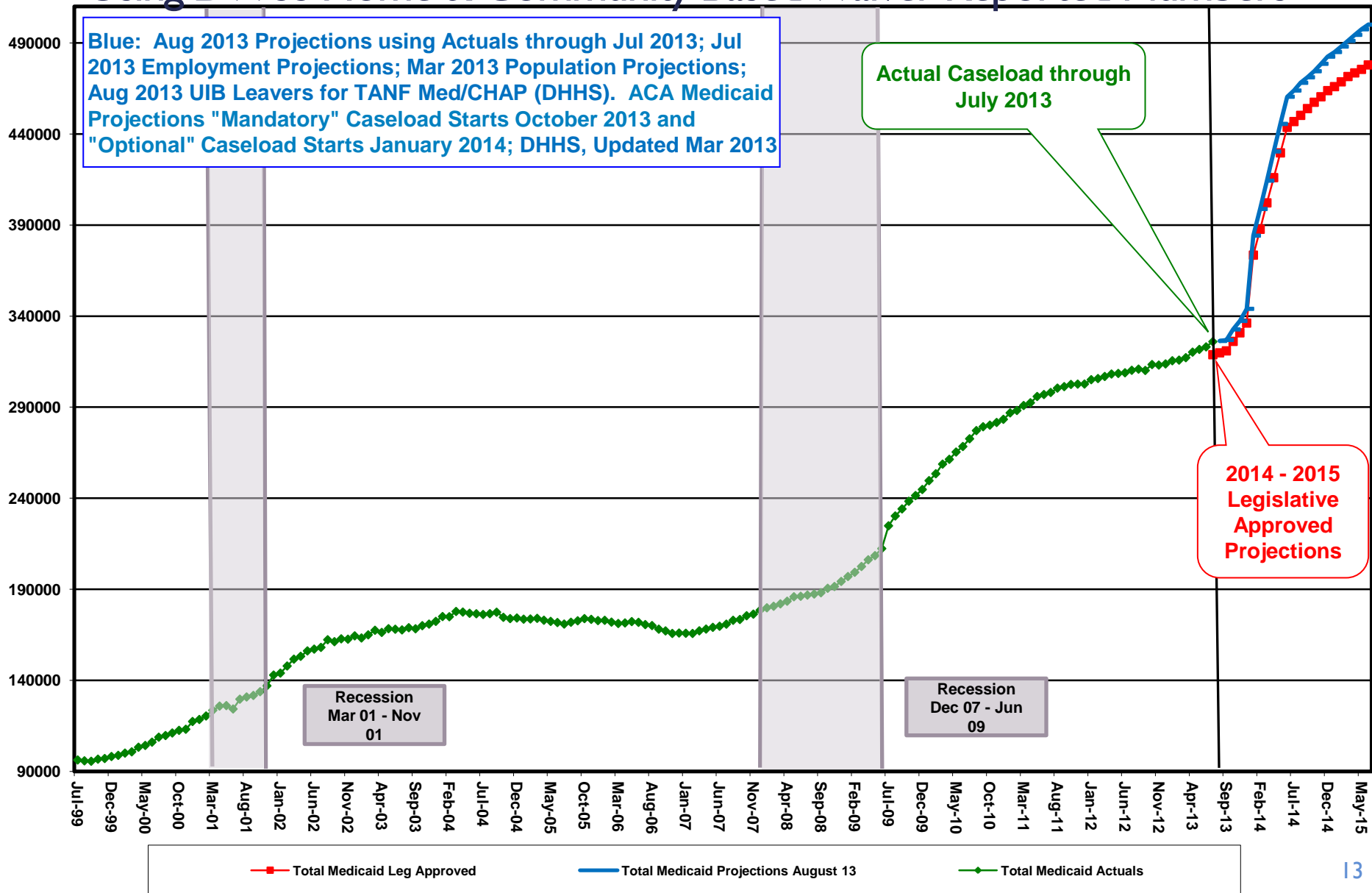
# New Adult Population Medicaid Coverage

- Childless Adults, Age 19 - 65
- Some younger seniors (under age 65) and persons who have disabilities but have not yet received this designation from Social Security, if they meet the requirements for the new childless adult Medicaid expansion population, will now gain Medicaid coverage earlier than before.



# Medicaid Caseload Growth

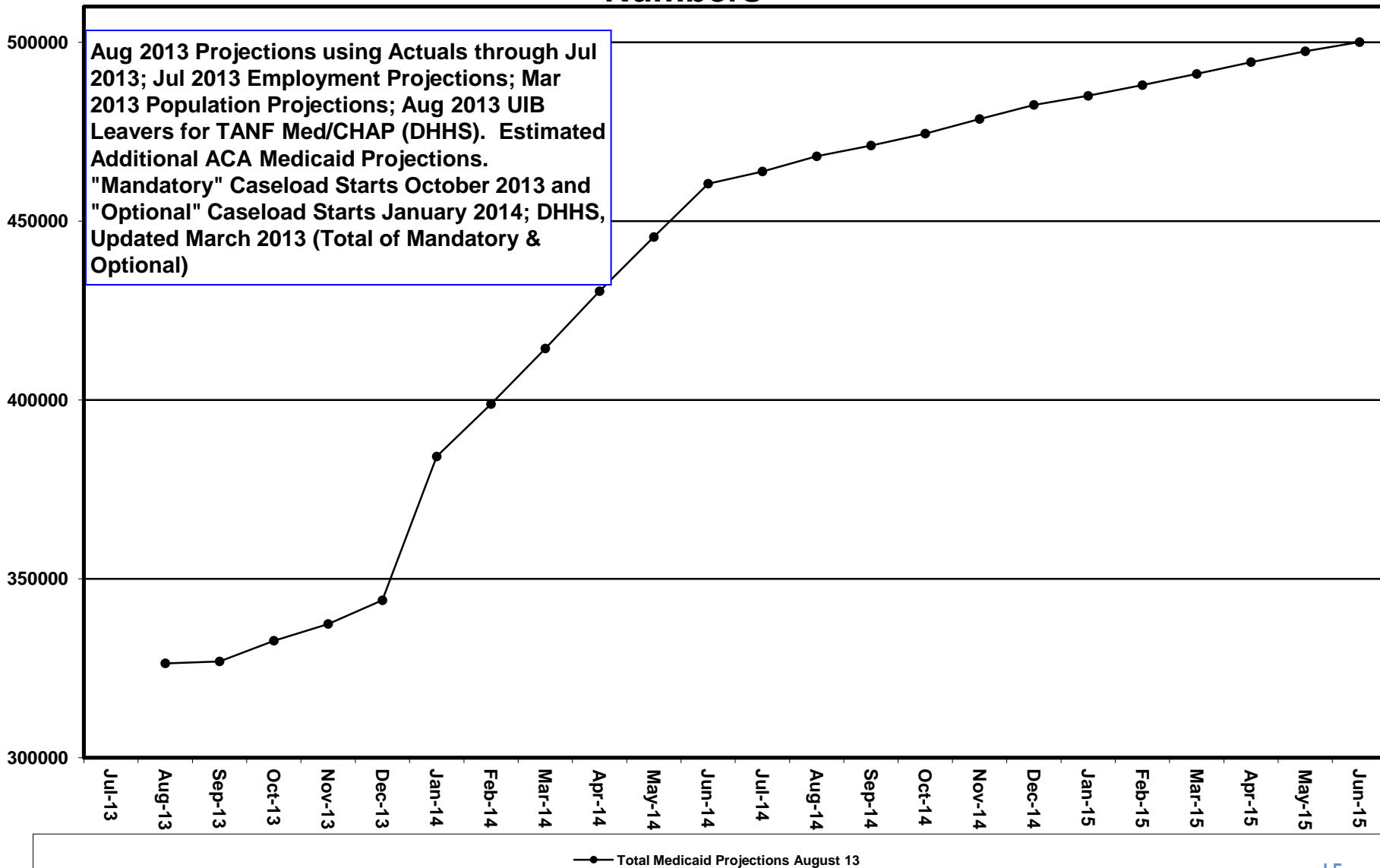
# Total Medicaid With Retro Projections Using DWSS Home & Community Based Waiver Reported Numbers



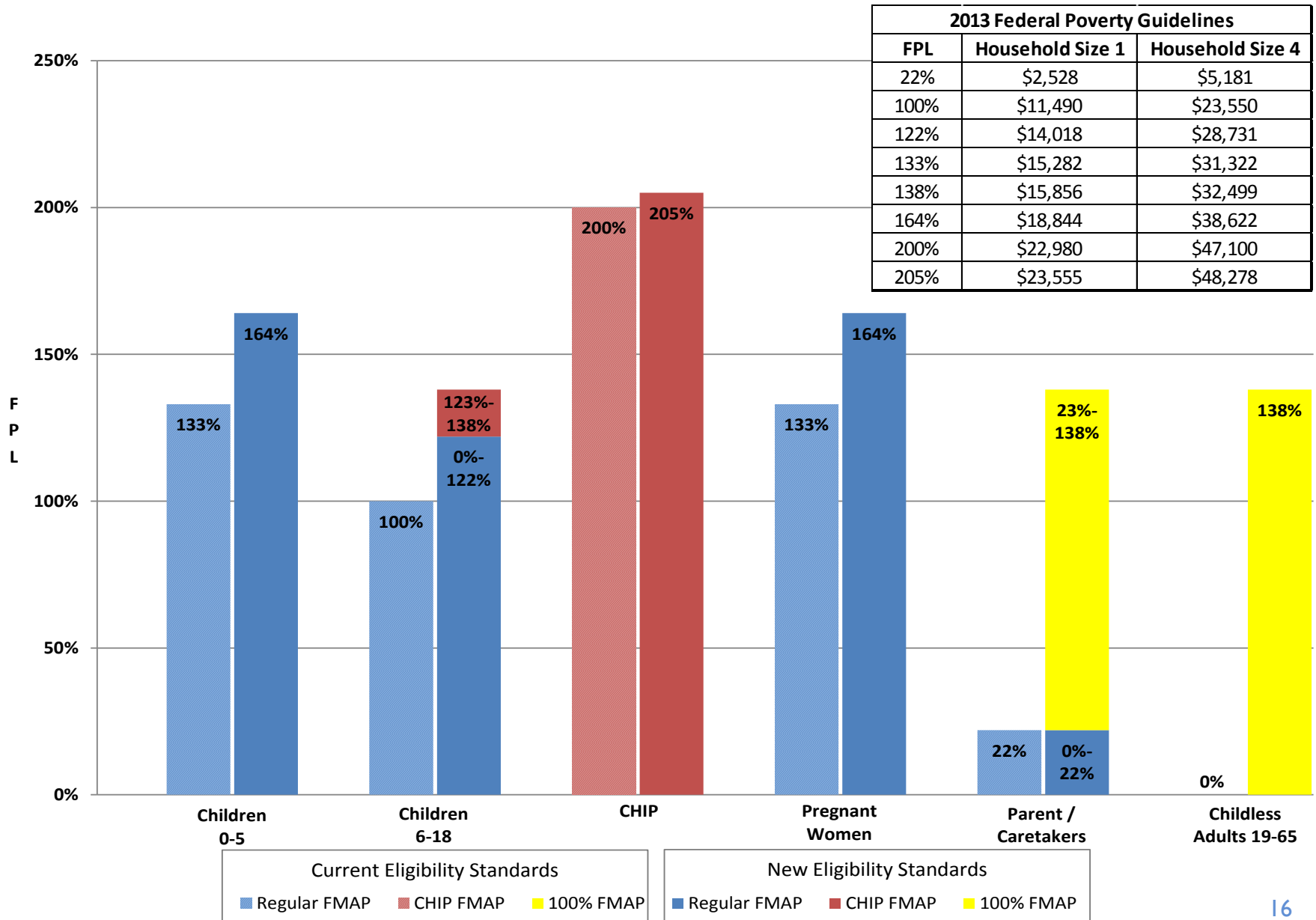
# Total Medicaid w/DWSS HSBW

	TOTAL MEDICAID w/RETRO			TOTAL MEDICAID w/RETRO			TOTAL MEDICAID w/RETRO			TOTAL MEDICAID w/RETRO		
	FY 08-09 Actuals w/updated retro	FY 08-09 Leg Approved Projections		FY 10-11 Actuals w/updated retro	FY 10-11 Leg Approved Projections		FY 12-13 Actuals w/updated FY12 Retro	FY 12-13 Leg Approved Projections		FY 14-15 Actuals	FY 14-15 Leg Approved Projections	Current Month's Projection (August 2013 Projections using July 2013 Actuals)
Jul-07	171,634	167,962	Jul-09	224,861	209,499	Jul-11	298,084	290,009	Jul-13	325,988	318,814	
Aug-07	174,488	168,572	Aug-09	230,258	211,579	Aug-11	300,466	291,802	Aug-13		319,846	326,379
Sep-07	174,383	168,802	Sep-09	234,138	213,815	Sep-11	301,301	292,179	Sep-13		320,921	326,904
Oct-07	176,498	169,338	Oct-09	238,338	215,798	Oct-11	302,497	292,929	Oct-13		326,130	332,699
Nov-07	177,632	169,693	Nov-09	241,463	218,235	Nov-11	302,679	292,908	Nov-13		330,815	337,385
Dec-07	179,926	170,300	Dec-09	244,806	220,072	Dec-11	302,711	295,181	Dec-13		336,195	344,000
Jan-08	180,983	170,817	Jan-10	249,668	222,012	Jan-12	305,107	295,986	Jan-14		373,495	384,204
Feb-08	182,274	171,132	Feb-10	253,462	224,160	Feb-12	305,721	295,950	Feb-14		387,692	398,855
Mar-08	183,526	171,469	Mar-10	258,741	225,855	Mar-12	306,869	297,184	Mar-14		402,196	414,390
Apr-08	185,251	171,625	Apr-10	261,381	227,859	Apr-12	308,211	298,904	Apr-14		416,049	430,415
May-08	189,010	171,908	May-10	265,371	229,456	May-12	308,533	299,834	May-14		429,646	445,562
Jun-08	188,832	172,123	Jun-10	268,415	230,408	Jun-12	308,906	300,513	Jun-14		443,668	460,473
Jul-08	187,170	172,568	Jul-10	272,661	231,210	Jul-12	310,260	301,296	Jul-14		446,834	463,886
Aug-08	187,844	173,026	Aug-10	277,145	231,702	Aug-12	310,901	302,737	Aug-14		450,233	468,125
Sep-08	188,082	173,225	Sep-10	279,264	232,221	Sep-12	310,172	303,075	Sep-14		453,968	471,145
Oct-08	190,696	173,627	Oct-10	280,138	232,479	Oct-12	313,415	304,143	Oct-14		457,435	474,472
Nov-08	191,141	173,844	Nov-10	281,604	233,240	Nov-12	313,122	304,371	Nov-14		460,457	478,560
Dec-08	194,876	174,325	Dec-10	283,335	233,710	Dec-12	313,762	306,590	Dec-14		463,816	482,490
Jan-09	197,042	174,722	Jan-11	286,880	234,282	Jan-13	315,499	307,430	Jan-15		466,014	485,030
Feb-09	199,264	174,920	Feb-11	288,187	235,068	Feb-13	315,846	307,373	Feb-15		468,657	488,025
Mar-09	202,321	175,148	Mar-11	290,909	235,533	Mar-13	317,184	308,606	Mar-15		471,564	491,150
Apr-09	206,523	175,203	Apr-11	292,432	236,314	Apr-13	320,228	310,413	Apr-15		473,553	494,459
May-09	209,401	175,392	May-11	295,866	236,678	May-13	321,715	311,190	May-15		475,498	497,488
Jun-09	213,444	175,521	Jun-11	296,960	237,020	Jun-13	323,105	311,851	Jun-15		477,927	500,044

# Total Medicaid Projections (with Retro) for SFY 14 & 15 Using DWSS Home & Community Based Waiver Reported Numbers



# Medicaid Eligibility and FMAP





# New Eligibility Engine

- No wrong door:  
Nevada Health Link,



[www.nevadahealthlink.com](http://www.nevadahealthlink.com)

(855) 7-NVLink/(855) 768-5465.

Access Nevada, Department of Welfare and Supportive Services, Community Partners  
(all link to the new eligibility engine)

# Single Streamlined Application

- For ALL insurance affordability programs (including subsidies on Nevada Health Link)
- Nevada Health Link Web Portal
  - Select and enroll in health insurance
  - Aggregate premiums
  - Determine eligibility for individual tax credit
  - Determine eligibility for Medicaid/Nevada Check Up
  - Allow small businesses (less than 50 full time employees) to purchase health insurance at competitive rates

# Electronic Data Verification

- Client statement accepted – real time decisions needed
- Individuals face a tax penalty if not covered
- Open enrollment (on exchange) is limited

## Electronic Data Verification (cont'd)

- Communicates with the Federal data hub to verify some components of applicant information available from the Social Security Administration, Internal Revenue Service, and the Department of Homeland Security

# MAGI – Modified Adjusted Gross Income

- Methodology for how income is counted and how household composition and family size are determined. (Based on federal tax rules for determining adjusted gross income with some modification)

# Medicaid for the Aged, Blind and Disabled (MAABD)

- There is no change to the eligibility requirements for the MAABD population
- MAABD population will benefit from the new eligibility engine/system

# Medical Benefit Plan Changes

- The Affordable Care Act requires states to develop an alternative benefit plan (ABP) for the new Medicaid expansion population.
- To provide better continuity of care, stakeholders and the Director of the Nevada Department of Health and Human Services have requested this plan to be the same as the Medicaid State Plan

## Medical Benefit Plan Changes (cont'd)

- The ABP, among other regulation requirements must meet the requirements of providing the 10 essential health benefits.



# Essential Health Benefits (EHB)

1. Ambulatory patient services;
2. Emergency services;
3. Hospitalization;
4. Maternity and newborn care;
5. Mental health and substance use disorder services, including behavioral health treatment;

# Essential Health Benefits (EHB) (cont'd)

6. Prescription drugs;
7. Rehabilitative and habilitative services and devices;
8. Laboratory services;
9. Preventive and wellness services and chronic disease management; and
10. Pediatric services, including oral and vision care.

# Medicaid and EHB

- EHB introduces a new category – habilitation required in the Alternative Benefit Plan (ABP)
- DHCFP proposes a new service in the ABP and under 1915(i) for our Medicaid population:
  - Maintenance Therapy
    - Provided by qualified Physical Therapist, Speech Therapist, and/or Occupational Therapist
    - Service Limitations will apply
      - Follows Medicare coverage policy

# Other Medicaid Initiatives

- Integrated (medical, behavioral, social) Care Management for our Fee For Service Population with chronic conditions
- Updating of medical coverage policies for substance abuse coverage in line with American Society of Addiction Medicine (ASAM) criteria (public workshop complete with stakeholder input in process)

# Primary Care Physician Rate Increases

- Requires payment by State Medicaid agencies of at least the Medicare rates in effect in calendar years 2013 and 2014.
- The average increase in primary care reimbursement is estimated at 40%.

# Primary Care Physician Rate Increases (cont'd)

- The payments are being made through a supplemental payment process and not through a rate change.
- The payment process will start the first day of every quarter for the prior quarter, with payment being made in the second week of the quarter.



# Electronic Health Records (EHR)

## Health Information Exchange (HIE)

# Electronic Health Records

- Part of the HITECH Act in the 2009 American Recovery and Reinvestment Act (ARRA)
- Medicaid eligible hospitals include:
  - Acute care hospitals with at least 10% Medicaid patient volume. May include Critical Access Hospitals and Cancer Hospitals
  - Children's Hospitals



# Electronic Health Records(cont'd)

- Delay implementation (1<sup>st</sup> payments in September 2012) due to CMS requirements to produce a vendor (CGI) to develop web portal and perform pre-payment audits to determine eligibility for payments
  - 23 hospitals have received \$15.7 million in payments (range: \$37,250 to \$2.9 million)
  - 230 eligible providers have received \$4.6 million in payments
  - Total payments to date = \$20.3 million
  - Six year eligibility projection = \$52 million

